

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

September 10, 2007

CALL TO PODIUM:

Harold Belton

RESPONSIBLE STAFF:

Harold Belton, Director
Finance and Administration

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
X	Ordinance Introduction
	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	09/10/07
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Introduction of an Ordinance to Amend and Adopt the City Budget for the Fiscal Year July 1, 2006, Through June 30, 2007, to comply with GASB 45 Funding

SUPPORTING BACKGROUND:

This ordinance amends the City Budget, which provides a complete financial plan, including amended revenues and amended expenditures for the Fiscal Year 2006-2007. This amendment accounts for the transfer of funds in the Group Insurance Reserve Fund Balance to the Retiree Health and Welfare Benefit Trust Fund (the "Fund"). The Fund was approved by Resolution Number R-36-07 of the Mayor and City Council on May 7, 2007, in order to comply with the requirements of GASB 45.

The City's external auditors recommended this ordinance to accurately reflect the transfer of funds from the General Operating Fund to the Retiree Health and Welfare Benefit Trust Fund (the "Fund").

The City Charter, Section 45 authorizes the council, at any time, by ordinance, to amend the budget to allow expenditure of excess revenues. These amounts have previously been recognized as Group Insurance Reserve Fund Balance for Retirees.

This will be a one time budget adjustment as the FY 2008 budget accounts for the transfer.

A proposed ordinance to amend the Fiscal Year 2006-2007 City budget is attached. Staff proposes to advertise this proposed ordinance for public hearing in the September 12, 2007 issue of the Gaithersburg Gazette.

DESIRED OUTCOME:

Vote to Introduce Ordinance for the Budget Public Hearing.

Ordinance No. _____

ORDINANCE TO AMEND AND ADOPT THE CITY BUDGET
FOR THE FISCAL YEAR JULY 1, 2006, THROUGH
JUNE 30, 2007, TO COMPLY WITH GASB 45 FUNDING

WHEREAS, Resolution Number R-36-07 approved (May 7, 2007) the establishment of the Retiree Health and Welfare Benefit Plan in compliance with GASB 45; and

WHEREAS, the funds to set up the plan were deposited in the Local Government Investment Trust, and need to be recorded on the City's books as a trust fund; and

WHEREAS, the transfer of funds from the City's General Fund to the City's Trust Fund has to be shown as an operating transfer within the Fiscal Year 2006-07 budget; and

WHEREAS, the proposed budget for the 2006-07 Fiscal Year was submitted by the City Manager to the Mayor and City Council as required by the City Charter, as amended; and

WHEREAS, the 2006-07 budget provides a complete financial plan, including anticipated revenues and proposed expenditures, for the fiscal year; and

WHEREAS, the amount to be transferred to the Trust Fund was recorded as Group Insurance Reserved Fund Balance; and

WHEREAS, Section 45 of the Gaithersburg City Code authorizes the council, at any time, by ordinance, to amend the budget to allow expenditure of excess revenue:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Gaithersburg, in public meeting assembled, that the budget for the City of Gaithersburg for the Fiscal Year July 1, 2006, through June 30, 2007, be and it hereby is adopted as follows:

AMENDED REVENUE

Reappropriation from Group Insurance Reserve Fund Balance	<u>\$2,552,050</u>
TOTAL REVENUE AMENDMENT	<u>\$2,552,050</u>

AMENDED EXPENDITURES

<u>TRANSFER TO GASB 45 TRUST FUND</u>	<u>\$2,552,050</u>
TOTAL EXPENDITURE AMENDMENT	<u>\$2,552,050</u>

AND BE IT FURTHER ORDAINED that all of the sums set forth herein under the heading "AMENDED EXPENDITURES" be and hereby are appropriated.

ADOPTED by the City Council this 1st day of October, 2007.

SIDNEY A. KATZ, MAYOR and
President of the Council

DELIVERED to the Mayor of the City of Gaithersburg this 1st day of October, 2007.
APPROVED/VETOED by the Mayor of the City of Gaithersburg this 1st day of October, 2007.

SIDNEY A. KATZ, MAYOR

THIS IS TO CERTIFY that the foregoing
Ordinance was adopted by the City Council
of Gaithersburg, in public meeting assembled,
on the 1st day of October, 2007, and the same
was approved/vetoed by the Mayor of the
City of Gaithersburg on the 1st day of October, 2007.

This Ordinance becomes effective on the 1st
day of October, 2007.

David B. Humpton, City Manager